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NOVEMBER 22, 1993

OFFICE OF THE SECRETARY
FEDERAL COMMUNICATIONS COMMISSION
1919 M STREET NW
WASHINGTON, D.C. 20554

FCC - MAIL ROOM

RE: PP DOCKET NO. 93-253
SECTION 309(G) RULE MAKING

A WHILE BACK I WROTE YOU WITH THE HOPE THAT THE LOTTERY RULES FOR IVDS (INTERACTIVE VIDEO AND DATA SERVICE) WOULD BE MAINTAINED. ENCLOSED IS A COPY OF THAT LETTER AND A PARTIAL LIST OF THE SENATORS AND REPRESENTATIVES TO WHICH IT WAS BOTH FAXED AND MAILED.

THE MOST IMPORTANT ELEMENT IN BRINGING ANY EMERGING TECHNOLOGY, SUCH AS IVDS TO "MARKET" IS TO MAINTAIN FAIRNESS COUPLED WITH SIMPLICITY BOTH TO THOSE WOULD BE VENDORS AND CUSTOMERS.

TO MAINTAIN FAIRNESS AND SIMPLICITY TO THE CUSTOMER, WOULD MEAN PROVIDING "FREE ACCESS" TO THE IVDS SYSTEM. THERE WOULD BE NO CHARGE TO THE CUSTOMER FOR CONNECTION TO THE SYSTEM OR FOR SYSTEM TIME USED. THE COSTS WOULD BE BORNE BY THE VENDORS OF GOODS AND SERVICES AS IS THE CASE IN BROADCAST TELEVISION.

HOWEVER TO MAINTAIN FAIRNESS AND SIMPLICITY TO WOULD BE VENDORS, IT MUST FIRST BE DETERMINED WHERE THESE WOULD BE VENDORS SHOULD COME FROM. WITH THIS IN MIND THE FCC HAS BEEN REVIEWING AUCTION RULES REGARDING THE AWARDING OF LICENSES.

AUCTIONS HAVE ALWAYS, WITH THE EXCEPTION OF ORAL BIDDING, BEEN SUBJECT TO SUSPICION ON THE PART OF THE PUBLIC. EVEN ORAL BIDDING WHILE PERCEIVED AS FAIR, BECAUSE THE PROCESS IS OPEN, WILL ALWAYS GO TO THE BIDDER, USUALLY THE SINGLE QUALIFICATION BEING THE INDIVIDUAL WITH THE DEEPEST POCKETS.

ELECTRONIC BIDDING AND SEALED BIDDING PLACE THE SMALL BUSINESS BIDDER AT AN UNFAIR ADVANTAGE. SMALL BUSINESS MAY NOT HAVE ACCESS TO THE INFRASTRUCTURE REQUIRED FOR ELECTRONIC BIDDING AND MAY ONLY WISH TO BID ON MARKETS IN THEIR RESPECTIVE STATE.

SEALED BIDS INCREASE THE POSSIBILITY OF COLLUSION AMONG "MAJOR PLAYERS" TO SPLIT UP THE COUNTRY. IN THIS CASE IF MULTIPLE REGIONS ARE BID ON, IT WILL FURTHER REDUCE COMPETITION RESULTING IN THE SMALLER POPULATED MARKETS BEING SET ASIDE UNTIL THE HIGH DENSITY MARKETS ARE BUILT OUT.

THERE IS NO FAIR AND SIMPLE WAY TO AWARD THE IVDS MARKETS THROUGH AUCTION. THE APPLICATIONS FILED FOR THE FIRST NINE MARKETS (AT \$1,400 PER APPLICATION) INDICATES A STRONG SMALL BUSINESS INTEREST. THESE WERE AWARDED BY LOTTERY.

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IF THE LOTTERY IS NOT MAINTAINED, THE ONLY "PLAYERS" WILL BE MAJOR EXISTING TELECOMMUNICATIONS COMPANIES OR NEW SUPER PLAYERS BORN OF RECENT MERGERS LIKE BELL ATLANTIC AND TCI.

"FAIRNESS AND SIMPLICITY" TO ALL SHOULD BE THE COMMISSION'S ONE GOAL. TO THE CUSTOMER THIS CAN BE DONE BY PROVIDING A FREE SERVICE. TO THE VENDOR THIS CAN ONLY BE DONE THROUGH LOTTERY WITHIN THE EXISTING FCC GUIDELINES.

SINCERELY,


WILLIAM R. THORNTON

cc; NINE COPIES TO BE DISTRIBUTED TO EACH COMMISSIONER

I AM WRITING YOU AS I HOPE MANY OTHERS ARE WITH THE CONCERN THAT THE LOTTERY RULES FOR THE EXISTING FCC IVDS (INTERACTIVE VIDEO AND DATA SERVICE), BE MAINTAINED.

AS A SMALL BUSINESSMAN (ENTREPRENEUR), I HAVE STUDIED THIS EMERGING TECHNOLOGY AND BELIEVE IT WILL CREATE NEW RAPIDLY GROWING SMALL BUSINESSES. THIS IN TURN WILL CREATE MORE JOBS AND AN EXPANDING TAX BASE. I HAVE ALSO INVESTED CONSIDERABLE TIME AND RESOURCES TO DEVELOPE THIS NEW BUSINESS. UNDER THE ORIGINAL FCC IVDS RULES, WHICH STRICTLY PREVENTED MERE SPECULATION, ONLY SERIOUS APPLICANTS APPLIED AND THE RULES WERE FAIR TO ALL.

HOWEVER, UNDER THE NEW HOUSE AND SENATE BUDGET BILLS, THE LOTTERY WOULD BE PUSHED ASIDE IN FAVOR OF AN AUCTION SCHEME WHICH WOULD NOT READILY AFFECT THE FEDERAL BUDGET. IF THIS IS DONE, NOT ONLY WILL IT DELAY THIS NEW SERVICE FROM REACHING "MARKET", IT WILL ALSO COST SMALL BUSINESSMEN LIKE ME OUR INVESTMENT IN PREPARING OUR APPLICATIONS. FUTHERMORE IT WILL DISCOURAGE SMALL BUSINESSES FROM TAKING FUTURE RISKS WHERE THE ACTIONS OF THE GOVERNMENT MAY BE QUESTIONABLE.

WILL YOU PERMIT THE LARGE TELECOMMUNICATIONS AND MEDIA COMPANIES TO LITERALLY "BUY" THESE LICENSES? I ENCOURAGE YOU TO "PLAY FAIR" AND SUPPORT THE LOTTERY RULES NOW EXISTING IN THE FCC!!!

AS A MEMBER OF THE SENATE/HOUSE COMMERCE COMMITTEE, I URGE YOU TO ASK FOR THE SUPPORT OF YOUR RESPECTED CONFEREES TO RESTORE THE FCC AUTHORITY OF THE IVDS LOTTERY!

SINCERELY,

WM. W. THORNTON

cc: SENATORS

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